09533906-021202

Exhibit 10 has been filed under seal under separate cover

CONFIDENTIAL - ATTORNEYS' EYES ONLY

VOLUME: I

PAGES: 1-191

EXHIBITS: 115-132

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

- X

GEN-PROBE INCORPORATED,

Plaintiff,

v. C.A. No.

VYSIS, INC., 99CV2668 H (AJB)

Defendant.

- X

CONFIDENTIAL - ATTORNEYS' EYES ONLY

DEPOSITION of JAMES C. RICHARDS

March 30, 2001

9:51 a.m.

Westin Hotel

70 Third Avenue

Waltham, Massachusetts

Reporter: Michael D. O'Connor, RPR

Ex. 10 Pg. 51

20120209-0033

Plaintiff in the case is Gen-Probe Incorporated and the Defendant in the case is Vysis, Inc.

Do you understand that Vysis is the successor to Gene-Trak Systems?

A. Yes.

Q. Let's discuss your educational background briefly. Vysis has produced some documents in the case which lead me to believe that I know something about your background, but I'd like to confirm it.

Did you obtain a Bachelor of Science in microbiology and chemistry from the University of Illinois?

A. Yes.

Q. When did you graduate?

A. 1970.

Q. Did you obtain a Ph.D. in microbiology and biochemistry from Southern Illinois University?

A. Yes.

Q. When did you obtain that degree?

A. '78, '79.

Q. And after you obtained your Ph.D. from Southern Illinois University, did you do

0055909.02120

Q. Do you recall when you left DuPont to go to work for Amoco?

A. Yes.

Q. When was that?

A. December, '84, January, '85; that was the time. I don't know when I left. I think it was before Christmas of '84, but I can't remember exactly.

Q. When you joined DuPont you became program manager for the nucleic acid probe development group?

A. Excuse me, which company?

Q. When you joined Amoco --

A. Amoco, yes.

Q. -- in December of '84, January of '85, you became program manager for the nucleic acid probe development group?

A. I left DuPont December, '84. I started at Amoco February 1 of '85.

Q. Thanks. At that time what job --

A. Program manager, DNA probe development.

Q. Did you stay in that position with Amoco until you left for Gene-Trak?

Ex. 10 Pg. 53

2021202-0933906

A. Yes.

Q. You left for Gene-Trak sometime in 1986?

A. Roughly October, '86.

Q. So you were at Amoco from February of '85 to October of 1986?

A. Correct.

Q. While you were program manager of the nucleic acid probe development group at Amoco, what kind of work did you or your group do?

A. I was alone and I wrote the business plan for DNA probes for Amoco.

Q. When you say you were alone, there weren't people that reported to you?

A. No. Oh, wait a minute. Time out. I can't remember if Bach and Ryan and the engineers reported to me or Lawrie. It doesn't matter. I was doing business development.

Q. I'd like you to look at Exhibit 38, which aught be the next one in the book behind the '338 patent, which is an organizational chart. This organizational chart has been previously marked in the case as Exhibit 38. It appears to be --

Ex. 10 Pg. 54

2021-0905-0023560

A. Oh, I had sample prep, that's right, and I had the engineers I guess.

MR. BANKS: Let him ask the questions.

A. I'm sorry. I don't remember.

Q. This appears to be an undated organization chart related to the DNA probe effort at Amoco. To the best of your recollection, does this chart, Exhibit 38, reflect the organization of the probe group in 1986?

A. Yes.

Q. Can you tell from looking at this chart who reported to you or does it refresh your recollection?

A. I will tell you, now I remember. Kessler was doing sample prep, and Bach and Ryan in the engineering group were doing the system, and they loosely reported to me. I don't remember Halbert and Dudzik. I thought they reported to Lawrie. The rest of this was all Lawrie. That's why I say, I was working on business development for the most part, and the only reason Bach and Ryan reported to me because I knew them at DuPont, and I hired Jack from

D5553603.02102

putting enzymes on Mark's target capturing method, removing noise, and generating a higher signal. So we used target capture and signal amplification, i.e., using the ELISA type approach. But we were also doing radioactive labels, and we were, of course, all aware of other things that were out there.

Q. Do you know who at Amoco had the original idea to combine target capture and some form of amplification?

A. It might have been Mark, but I don't remember.

Q. While you were at Amoco, did you ever have the understanding that Collins, King, Halbert and Lawrie had conceived of an invention that involved the combination of target capture and amplification?

A. John mentioned it to me once.

Q. What did he tell you, that you can remember.

A. Well, in writing the business plan, I was always concerned about rare targets, and one day John came into my office -- we were right down the hall at Amoco from each other -- and he

0553600.02202

said, we've got a way to make more targets, and he described the method, and I didn't understand the method, because I had never used it in my research, and it was Klenow and some other stuff.

He explained you could do this in a way to make more target, and I said, what about PCR? He said, You could do PCR, but you could also use this, and I said, Well, okay. Sounds good to me, and off he went. That was it. I mean, we didn't pursue it, because we had a clear business structure, and it was target cycling, and an enzyme label, and we were going to go do this new business, and I said, Well, when you get it proven, come and see me basically.

Q. In part of your statement you used the term "rare targets." By that term are you referring to targets that are in a sample in low concentration?

A. Right.

Q. Did you ever have an understanding about how this invention was conceived, whether it was at a brainstorming meeting?

20120-0095395

Gene-Trak deal.

Q. Do you remember that the first article on PCR was published in "Nature" in about December, 1985?

A. No, I don't remember that.

Q. When the first article describing PCR was published, was it big news?

A. Yes.

Q. After that article was published, did other people in the industry outside Cetus begin looking for alternative ways to do the same thing?

MR. BANKS: Objection to form.

A. Do I know if they were?

Q. Right.

A. I don't know.

Q. Do you know whether Amoco started to think about what it could do that would be similar to PCR?

A. Amoco owned 25 percent of Cetus at that time, and discussions were running around should we take a license to this, because we owned 25 percent of the company, and that was the extent of the discussion, and that was way

Ex. 10 Pg. 58

0553308.021202

did you live in the Chicago area?

A. '85 to '86, and I lived in Lisle.

Q. Outside of Chicago?

A. Next to Naperville about 100 feet or so; very close, next door.

Q. And when you went to work for Gene-Trak in about October of '86, did you move to the Boston area?

A. Framingham.

Q. Did Halbert, King, Collins and Lawrie also move from Amoco to Gene-Trak?

A. Yes, I believe so.

Q. Prior to the time that Gene-Trak was formed, were you involved in discussions or negotiations concerning the value of the respective contributions that were being made by Amoco and Integrated Genetics?

A. Me involved in the valuation? I don't remember.

Q. Were you involved in the negotiations between Amoco and Integrated Genetics?

A. No. No, as an absolute. Gar Royer and Ed Mason were the main Amoco, I believe, people involved in the face-to-face

20120-0056560

A. Yes.
Q. About the same time?
A. About the same time.
Q. And he is shown here as being the manager of scientific affairs?
A. Yes.
Q. In that position, what did he do?
A. He was going to be in charge of clinical trials, setting up the ways -- actually, his primary responsibility was to set up what we called our clinical reference laboratory, where we were going to bring in real clinical samples from patients to do probe capture of pathogens, and it had to be a BL-3 lab, a containment facility. It was literally a full-time job just doing that. We set it up in a separate building.
Q. And as director of business development and licensing at Gene-Trak, what were your responsibilities?
A. Licensing technology, licensing in, licensing out, if we could. If R&D needed something, go out and find it, basically if they needed a new technology, go out and get a

20121205-0095360

license, constantly assessing the business plan, are we on target, setting milestones, assisting Connoy with the budget, making sure we were achieving our milestones. It's what business development is.

Q. So part of your job was dealing with the technology assets and the technology needs of R&D?

A. Yes, I think that's fair.

Q. Now, the technology assets of a company are sometimes referred to as intellectual property?

A. IP, yes.

Q. IP includes things like patents, trademarks, confidential business information?

A. Mostly in my case it was patents, memoranda of invention, trademarking, I guess, but it was handled mostly by the attorneys.

Q. When you say "patents," that would include issued patents and it would include pending patent applications?

A. In this case, I can tell you it was almost exclusively what we were inventing at Gene-Trak in the form of MOIs, and having them

Ex. 10 Pg. 61

0953600.02120

Q. And you were on that committee?
A. Correct.
Q. And the committee established priorities for filing patent applications based on the memorandum of invention?
A. Not completely. I mean, it had to have a business value. I mean, that's why I was there. Is this going to help us meet our milestones, or is this just extra stuff, but we aren't using it, so therefore, we've got to be working on the things that we need for commercialization. So there's business criteria is how you prioritize these.
Q. So would the patent committee both look at the science of a memorandum of invention and the business application of that science?
A. As it pertained to our existing milestones.
Q. While you were at Gene-Trak, were you involved in any out-licensing activities?
A. I don't remember.
Q. While you were at Gene-Trak, were you involved in any in licensing?
A. Yes.

Ex. 10 Pg. 62

08533606.021202

Q. So in licensing would take place if some other company had technology or intellectual property that Gene-Trak was interested in using in its business?

A. Not just companies, but, yes. It could be universities, whatever. Somebody else owned it.

Q. If somebody else had some technology --

A. That we might need.

Q. -- that Gene-Trak thought might be useful, you would get involved in trying to license that technology for Gene-Trak?

A. Yes.

Q. Did Dr. Klinger get involved in licensing activities?

A. Yes.

Q. Were you involved in the negotiation of most of the licenses that Gene-Trak took?

A. Involved, yes.

Q. Were you involved in evaluating technologies that Gene-Trak was looking at to license?

A. Yes.

Ex. 10 Pg. 63

2021206.0095600

There were others, other methods.

Q. There were other methods?

A. (Witness nods).

Q. There were other sequence specific methods before PCR?

A. Before PCR? I don't know the timing, but Salk, and there were others.

Q. Looking at Exhibit 45, if a presentation was made to the partnership committee meeting on patents in the summer of '87, is it likely that you made the presentation?

A. Yes.

Q. And if a presentation was made on nucleic acid amplification strategy, is it likely that Dr. Lawrie made the presentation or would you have made it?

A. It probably would have been me. This looks like it would have been me.

Q. Is there anything here that tells you it would have been you or suggests to you it would have been you?

A. Yes, because it looks like it came off of my Macintosh computer, the type. I recognize

20120906560

of doing nucleic gymnastics. Discrete date, no. I don't have any discrete date or time. It was an ongoing intellectual discussion.

Q. I'd like you to look at, I think it's the fourth page of this pack of schematics, Exhibit 49. It's got a No. 4 in the upper left-hand corner, and it talks about specific capture, apparently followed by nonspecific amplification, and then another specific capture step. Do you see that?

A. Yes.

Q. Did you understand this to be the method that Dr. Lawrie had discussed with you, the Collins method?

A. Do you mean not looking at this?

Q. Right.

A. Yes. Again, the hexadecamer, Klenow, yes, that's what I remember.

Q. Hexadecamer, when you use that term, are you referring to a hexamer primer?

A. It was the one you could buy from commercial sources. They were, I think, random.

Q. So when you're using the term "hexadecamer primer," you're referring to a

20120209-0055

commercially available random hexamer primer?

A. That was my understanding of the nonspecific amplification concept.

Q. And that was what you understood Dr. Lawrie to have talked to you about?

A. Among others, yes.

Q. The fourth thought here on the fourth page of Exhibit 49 is a question, "Too close to Cetus." Do you see that?

A. Yes.

Q. Do you have any recollection of there being concern at Gene-Trak that the method of doing specific capture in conjunction with nonspecific amplification might be too close to the PCR method?

A. I don't remember that. This is not my thing. Somebody else did this stuff.

Q. I'd like you to look at what's previously been marked as Exhibit 53, if you would. Exhibit 53, the first page of Exhibit 53 is entitled, "Partnership Committee Meeting, January 23, 1987." Item 7 on the list is "Patent Strategy," and your name appears opposite that.

Ex. 10 Pg. 66

09533606.021202

him?

A. Yes.

Q. When presentations on patents were given to the partnership committee, is it your recollection that you gave those presentations?

A. Yes.

Q. Was there a reason that you gave the presentations and not Mr. Janiuk or Mr. Hofer?

A. I don't believe I gave patent presentations. I think I talked about the business implications of what they might reflect. I didn't and don't understand claim language, then or now. I used to mess it up. So I stuck pretty much to the business relationship between the patent and claims and what we were trying to accomplish. I just stuck to the business.

Q. I'd like you to look back at Exhibit 45, please.

A. Yes.

Q. I think you said when we looked at Exhibit 45 before that you're probably the author of Exhibit 45?

A. Yes.

Ex. 10 Pg. 67

0953906.021202

A. Yes.

Q. In Step 3A there's a reference to hexamer primers?

A. Yes.

Q. And I think this morning you told me that you would generally consider the reference to hexamer primers to commercially available random hexamer primers?

A. As I understood it, yes.

Q. In looking at that term here and remembering the language that we just looked at in Column 15 about nonspecific amplification, do you understand that reference to hexamer primers to be a reference to random hexamer primers in Figure 5?

A. Well, if they are random hexamer primers, yes, I guess that would be what I was led to believe.

Q. Random hexamer primers would be used in nonspecific amplification?

A. Right. That's what John had led me to believe back when.

Q. Turning to Figure 6, again, in Step 3A, there's a reference to hexamer primers. Do

Confidential 0055609-021202

specially tailored primers are needed, do you have any understanding why someone would then use specific primers?

MR. BANKS: Object to form.

A. You would want to use any kind you could, not just specific, nonspecific; anything. You would want all aspects.

Q. Looking at example four, the last paragraph, which is in Column 31, about Line 16 --

A. I'm sorry, repeat where the location is?

Q. About Line 16 of Column 31.

A. Okay.

Q. There's a reference there to the resulting nonspecific transcription. Do you see that?

A. Yes.

Q. Example five, the first paragraph, do you see that it refers to nonspecific replication?

A. Oh, I see it.

Q. Is it your understanding that example five is describing a method in which nonspecific

Ex. 10 Pg. 69

09539605.021202

primers are used?

MR. BANKS: Object to form.

A. That's what it says, I think.

Q. The same with example six. Do you see in example six, which is Column 31, at about Line 63, the example refers to the use of random hexamer primer oligonucleotides?

A. Right.

Q. Example six is a method describing nonspecific primers?

MR. BANKS: Object to form.

Q. Is that correct?

A. I'm reading it, yes.

Q. And example seven, which is Column 32, at about Line 13, it talks about replicating nonspecifically. Do you see that?

A. What it says is it's a precise transcript is purified. I'm reading it, but I'm not sure in this case what the specificity is imparted. The hybrid duplex is then denatured. I can read. I'm not sure what the -- I have to look at the -- is there a figure for this?

Q. I don't think that there is.

A. It sounds like there's specificity

2012-0095390-021202

involved in the capture probe. I'm sorry, what's the question in No. 7?

Q. Is it your understanding that the amplification step in example seven uses nonspecific primers?

A. Does it use nonspecific primers? It appears that's what it says.

Q. So when we look at examples five, six and seven, all of them use nonspecific primers in the amplification step?

A. In some aspect.

MR. BOWEN: Take a five-minute break.

VIDEOGRAPHER: Off the record. The time is 2:04.

(Recess)

VIDEOGRAPHER: Back on the record. The time is 2:17.

BY MR. BOWEN:

Q. Dr. Richards, when you were at Gene-Trak, did you ever have an understanding that Gene-Trak, as an organization, thought that using random primers and target capture might be a method that was more suitable for automation than PCR?

20120-0095360

patents to the partnership committee, the management committee of Gene-Trak, you were the person who made the presentations?

MR. BANKS: Object to form.

MR. BOWEN: What don't you like about it?

MR. BANKS: Lack of foundation.

MR. BOWEN: Okay.

Q. When presentations on patents were made to the partnership committee, did you make the presentations?

A. Yes.

Q. And you did that about once a quarter?

A. Yes.

Q. You had been on the patent committee? By December of 1989, you had been on the patent committee for Gene-Trak for a number of years?

A. Yes.

Q. You had access to and discussed patent matters with Gene-Trak's patent counsel?

A. Yes.

Q. You discussed the application for the '338 patent with Gene-Trak's patent counsel?

A. I don't remember.

05336.02202

Q. You made presentations on target capture patents to the scientific advisory board of Gene-Trak?

A. Yes.

Q. Let me show you what we will mark as Exhibit 121, which is a document entitled at the top "Business Development, August 3, 1988."

Do you believe you prepared Exhibit 121?

(Document marked as Exhibit 121 for identification)

A. I believe so, yes.

Q. Exhibit 121 is an evaluation of patents and licenses?

A. Yes.

Q. You evaluated these technologies as part of your job as director of business development and licensing?

A. Yes.

Q. In December, 1989, what were your sources of understanding about what the pending patent application for the technology that's covered by the '338 patent was about? What were your sources of information for your

2021-20-09230956

understanding?

A. What date?

Q. December, 1989.

A. What was my understanding?

Q. As of December, 1989, did you have an understanding about what technology was covered by the '338 patent?

A. Yes.

Q. What were your sources of information for that understanding?

A. My recollection of my conversations with John years before, and just simply a nonspecific way of amplifying.

Q. I will show you what we will mark as Exhibit 131 to your deposition. Last week, did you remember writing a letter to Dr. Orgell in December, 1989 concerning the subject matter of the '338 patent?

(Document marked as Exhibit 131 for identification)

A. Last week?

Q. Yes.

A. I do not remember seeing this until I saw it the other day.

Ex. 10 Pg. 74

20120905.0956390

Dr. Orgell --

A. Orgell.

Q. -- Amoco was a partner in Gene-Trak?

A. Yes.

Q. Amoco owned half of Gene-Trak; is that right?

A. A large percentage. I don't remember how much.

Q. And Dr. Orgell was the general manager of research at Amoco Technology?

A. Yes.

Q. In the corporate ladder, is Dr. Orgell up the ladder from you?

A. Oh, yes. He's Amoco. I was not in Amoco.

Q. He worked directly at Amoco?

A. No. I was a Gene-Trak employee.

Q. Amoco owned half of Gene-Trak?

A. Yes.

Q. Did you consider Dr. Orgell, in any sense, to be one of your bosses?

A. I considered him like a venture capital -- I mean, he's a finance -- he's one of the people that bankrolls the company, and a guy

Ex. 10 Pg. 75

09533906.021202

I have to convince to pursue technology.

Q. Looking at the people who received ccs of this letter, Patrick Connoy was your boss at Gene-Trak?

A. Yes.

Q. Dr. Royer was another bigwig at Amoco Technology?

A. He was my boss at Amoco.

Q. He was on the Gene-Trak scientific advisory board?

A. Yes.

Q. He had been at scientific advisory board meetings where you made presentations on the target capture patents?

A. Yes.

Q. Was he also on the partnership committee?

A. Yes.

Q. Was Dr. Orgell on the partnership committee?

A. No, not that I remember.

Q. Now, a cc apparently of this letter, Exhibit 131, also apparently went to Mr. Carpenter?

Ex. 10 Pg. 76

0055306.02202

A. Yes.

Q. I think you've already said that he was the president of Gene-Trak and worked at Integrated Genetics and then Gensyme?

A. Yes.

Q. At some point in time Integrated Genetics merged with Gensyme; is that right?

A. Yes.

Q. When you wrote letters to Dr. Orgell and sent copies to Mr. Connoy and Dr. Royer and Mr. Carpenter, did you try to be accurate?

A. I tried to be accurate, yes.

Q. I'd like you to look at Page 1 of the letter. You had a chance, when you went with Mr. Banks, to read your description here on Pages 1 and 2 of Technology Asset No. 1?

A. Yes.

Q. And after reading that, did you have the understanding that what's set forth here is a discussion of the subject matter of the '338 patent?

MR. BANKS: Object to form.

A. I only knew this then as however I reference -- I don't know. It's just something

Ex. 10 Pg. 77

0533306.021202

of that ever change your understanding about what the patent covered?

A. I'm sorry.

Q. That was a terrible question, wasn't it.

A. I don't understand.

Q. Whether you were right or wrong, the letter sets forth your impression at the time of what technology was covered by a patent application that was pending?

MR. BANKS: Object to form.

A. I will repeat this again. I assumed this was the same stuff John had talked to me about years before. I didn't want to see it drop. It's that simple. There isn't any more or less to it.

Q. The letter does, though, set forth your understanding of what the technology was?

A. Yes, as I understood it, and as I could relay it.

Q. Did your understanding ever change after you wrote the letter?

A. No, I don't think so.

Q. Did anybody who got a copy of the

20212090E3560

letter call you or write you and tell you you had inaccurately described the technology?

A. I don't remember. I don't remember. I don't even know if they read it.

Q. But you don't remember anybody calling you --

A. I don't remember that.

Q. I'm sorry, I've got to get the whole question out.

You don't remember anybody calling you and telling you you had incorrectly described the technology?

A. I don't remember.

Q. As you sit here today, do you have any reason to believe that you misunderstood the technology covered by the pending patent application?

A. No. I think it's -- what I've read, no.

Q. Do you know why there's no reference in the patent to PCR type amplification?

A. No. I didn't write it.

Q. Now, in 1986/1987, a scientist who was going to use nonspecific amplification would

0553906-022202

come from Tony. But this stuff on and on, you go on. Temperature required, another approach would be to transcriptase. All of this was free form text writing. I was trying to sell Carl Orgell to pick this thing up. I didn't want to get too technical, or he would put it down, which is probably what everybody did anyway.

Q. You wanted to be accurate in describing --

A. Tried to be as accurate as possible.

Q. We've talked about Tony here in our recent conversations. Tony was Tony Janiuk?

A. Yes.

Q. And he was Gene-Trak's patent counsel?

A. He sat across the way.

Q. Yes, he was Gene-Trak's patent counsel?

A. Yes.

Q. And you had discussions with him about the CIP application?

A. Yes, clearly.

Q. In 1989, did you have any understanding at all of the term "reduction to practice"?

Ex. 10 Pg. 80

0533906.02202